



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.

Washington, D.C. 20240

IN REPLY REFER TO:

F5023(2625)

Memorandum

To: Directorate, Field Directorate, Chief, USPP, WASO Division Chiefs and Team Leaders

From: Comptroller *[Signature]* 8/19/10

Subject: Policy on Electronic Funds Transfer (EFT) Payments

Attached is the updated National Park Service (NPS) policy on electronic funds transfer requirements of the Debt Collection Improvement Act (DCIA) of 1996. This policy supplements Financial Management Memorandum No. 2009-011 (Vol. IX.A) dated October 20, 2009, Debt Collection Improvement Act of 1996 – Electronic Funds Transfer Policy and Implementation Guidelines.

Please note a significant change to NPS policy. The Department of the Interior, Office of Financial Management prescribes the use of Direct Deposit/EFT for the reimbursement of local travel and other out-of-pocket expenses. Therefore, parks and program offices will no longer be allowed to reimburse employees with a third party draft. Requests for these types of reimbursement must be submitted to the Accounting Operations Center (AOC) on a form SF-1164, Claim for Reimbursement for Expenditures on Official Business. AOC will audit the request and process for direct deposit to the employee's financial institution's bank account contained in the Federal Financial System's VEND table. Prior to sending the SF-1164 for reimbursement, AOC recommends each park or program office verify the vendor information in FFS. If necessary, the employee might have to submit an updated SF-1199a, Direct Deposit Sign-up form to AOC to update the VEND table information to avoid delays in reimbursement to the employee's bank account. Both forms are available on AOC's website at <http://www.aoc.nps.gov> under the Documents tab. This change is necessary for NPS to be in full compliance with the DCIA of 1996.

Please ensure that this memorandum is distributed to all employees at parks and offices within your respective region or office. Please direct your questions to Jack Skym, Fiscal Services Team Leader, AOC at (703) 487-9161.

Attachment

cc: Finance Committee

National Park Service (NPS) Policy on Electronic Funds Transfer (EFT)

I. General Policy

1. It is the policy of the NPS to utilize electronic payment mechanisms to the maximum extent possible. The electronic payment mechanisms that are in compliance with the Debt Collection Improvement Act (DCIA) of 1996 are:

For:	Use:
Wage, salary, and employee awards	DD/EFT
Travel reimbursement vouchers, local & TDY	DD/EFT
Cash advances for official travel	ATM privilege and DD/EFT (non-cardholders)
Official travel expenses, i.e., airline tickets, rental vehicles, lodging	Government Contractor-issued charge card
Miscellaneous purchases	Government Contractor-issued charge card
Fleet and vehicle expenses	Government Contractor-issued charge card
Vendor Payments	EFT

- a) Direct Deposit for the payment of employee salary, wage and monetary awards through the National Business Center (NBC), Payroll Operations Division (POD), Federal Personnel Payroll System (FPPS)
 - b) Government issued charge card
 - c) Convenience checks may be used when the government contractor-issued charge card is not accepted by the merchant. However, you must obtain approval from your Regional Program Coordinator before using these checks
2. The payment mechanisms which are not in compliance with the DCIA and will require a waiver from EFT are:
 - a) Payments made by AOC which require a Treasury check
 - b) Payments made by field locations with the Imprest Fund
 - c) Payments made by field locations with a Third Party Draft

II. Administrative Procedures for Parks and Offices

1. Personnel
 - a) Inform all new employees of the requirement to have their salary and other payments made by direct deposit
 - b) Provide the appropriate EFT registration form, i.e., SF-1199a, Direct Deposit Sign-up form to the employee. Please note that each employee must submit a separate SF-1199a to the Servicing Human Resources Office for salary payments and a separate SF-1199a to the AOC for reimbursements via direct deposit for other expenses incurred while on official business. FPPS is not interfaced with FFS, therefore, separate SF-1199a forms are required for each system
 - c) Ensure that all monetary incentives and employee awards are paid through the FPPS by the NBC, POD in Denver, CO

- d) Advise the AOC Team Leader, Fiscal Services Team (TL/FST) which employees request waivers because it would impose a hardship due to a physical or mental disability, or a geographic, language, or literacy barrier

2. Procurement and Contracting Officials

- a) Include appropriate contract language based on current Federal Acquisition Regulations regarding payments by EFT and Central Contractor Registration (CCR)
- b) Provide vendors with the requirement to register in CCR prior to award.
<http://www.ccr.gov>
- c) Obtain the vendor's Taxpayer Identification Number (TIN) and DUNS number and either include on the award documents or have the vendor include with their invoices
- d) You should consider alternate sources for vendors who refuse to comply with the EFT and TIN requirements

3. Land Acquisition Officials

- a) Please include appropriate language when negotiating land acquisitions requiring landowners to accept relocation payments by EFT
- b) If landowners cannot accept payment by EFT, please include a statement on the payment request (SF-1034) indicating that payment by EFT would impose a hardship. AOC will issue a waiver upon request from the Land Acquisition official and payment will be made by check
- c) Please include the TIN with all payment requests

4. Administrative Personnel in Parks and Office

- a) Please review the payment documentation to ensure the vendor has registered in CCR and that all EFT information is current
- b) If the banking information is not provided and is not in the FFS vendor table (VEND), AOC will contact the park/office to obtain the information or provide guidance to request a waiver
- c) Submit requests for reimbursement of out-of-pocket expenses incurred for local travel or other out-of-pocket expenditures incurred while performing official business to AOC for processing for payment on the SF-1164, Claim for Reimbursement for Expenditures on Official Business. Parks and program offices may no longer issue a Third Party Draft to reimburse employees for these types of expenditures, unless a waiver has been approved
- d) Please remind travelers on temporary duty travel of the EFT requirement. All travel authorizations and vouchers under the provisions of the Federal Travel Regulation (FTR) Part 301 must be prepared in the automated e-Travel application (currently GovTrip), and when applicable, routed electronically for review/audit, approval, and payment via direct deposit to the traveler's bank account. If an invitational traveler determines that payment by EFT would impose a hardship, please include the following statement on the front of the travel voucher (SF-1012) and have the traveler complete the blank. Submit the voucher packet to AOC for full audit prior to processing for payment

‘Payment by EFT would impose a hardship due to _____.’ (fill in the blank with one or more of the barriers listed in Condition 1 of the waivers section)

NOTE: Per the DOI, Office of Financial Management (PFM), PFM prescribes the use of direct deposit/EFT for the reimbursement of local travel expenses.

III. Procedures for Payments made by AOC

1. All Non-Employee Payments, including **Volunteers-in-Parks**

- a) If no banking information has been provided by a vendor who is an individual or sole proprietor, the park/office will be contacted by AOC to determine if the vendor can claim a hardship. If so, AOC will provide guidance to the waiver process based on Condition 1. This waiver may be self-certified by the vendor and a copy of the original waiver must be kept on site at the park/office for a minimum of three years
- b) If a hardship does not apply, AOC will determine whether waiver condition 6 (one-time payment and costs for EFT are excessive) or 7 (public exigency) apply at the request of the park/office. If so, the park/office will be advised on appropriate waiver procedure. These waivers must be granted and signed by AOC TL/FST, and the original waiver will be kept at AOC FST for a minimum of three years
- c) If no waivers apply and the payment terms require the vendor to provide banking information, the payment will be suspended and the invoice returned to the park/office. Once that information is provided, the payment will be processed
- d) AOC will make every effort to encourage parks/offices to work with vendors to accept these payments by EFT

2. Travel Reimbursements

- a) If the invitational traveler’s travel voucher (SF-1012) includes the required self-certification statement as per II.4.d above, requesting a waiver under condition 1, when deemed appropriate, payment will be immediately processed following review by TL/FST
- b) If no banking information or statement is provided, the traveler will be contacted by AOC to either obtain the banking information or issue a waiver based on condition 1
- c) Once the banking information is received or a waiver is granted, the payment will be processed immediately
- d) Submit requests for reimbursement of out-of-pocket expenses incurred for local travel or other out-of-pocket expenditures incurred while performing official business on the SF-1164, Claim for Reimbursement for Expenditures on Official Business to AOC, Fiscal Services Team, Accounts Payable Section for audit and payment through EFT, unless a waiver has been approved

IV. Waivers

As per the DCIA of 1996, the Department of Treasury set forth seven (7) waiver conditions in 31 CFR Part 208 under which a waiver from the EFT requirement would be appropriate.

The first waiver condition allows individuals to self-determine whether the use of EFT would impose a hardship and is based on their self-assessment.

Condition 1. An individual with or without an account with a financial institution determines that payment by EFT would impose a hardship due to either a physical or mental disability, or a geographic, language, or literacy barrier, or would impose a financial hardship. The requirement to receive payment by EFT is automatically waived for all individuals who do not have an account with a financial institution and who are eligible to open an electronic transfer account (ETA) under 31 CFR Part 208.5.

The determination for granting or denying waivers for conditions 2 through 7 must be made by TL/FST.

Condition 2. The political, financial, or communication infrastructure in a foreign country does not support payment by EFT.

Condition 3. Where the payment is to recipient within an area designated by the President or an authorized administrator as a disaster area. This waiver is limited to payments made within 120 days after the disaster is declared.

Condition 4. A response to contingency operations conducted by or in support of the Department of Defense.

Condition 5. Where payment by EFT may pose a threat to national security, the life or physical safety of an individual may be endangered, or a law enforcement action may be compromised.

Condition 6. Where the agency does not expect to make more than one payment to the same recipient within a one-year period, i.e., the payment is non-recurring, and the cost for making the payment by EFT exceeds the cost of making the payment by check.

Condition 7. Where an agency's need for goods and services is of such unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than EFT; or, where there is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than EFT.

1. Waivers for Non-Employee Payments Processed by AOC

- a) Waivers will be considered on a case-by-case basis
- b) After the determination is made that a waiver is needed, the Park/Office will complete the enclosed waiver form, selecting the appropriate waiver condition and submit to AOC TL/FST for review if for condition 2 through 6, if for condition 1, the waiver may be self-certified by the park/office and centrally filed at the park/office for a minimum of three years
- c) If conditions 2 through 6, upon completion of review, AOC TL/FST will notify the park/office the status of the waiver

- d) All waivers will be maintained for a period of three years from the date of issuance centrally filed in the TL/FST office
2. Waivers for Employee Related Payments Processed by AOC
 - a) Waivers will be considered on a case-by-case basis
 - b) If an employee is receiving pay via an EFT method, reimbursement for all other costs should be via EFT. All reimbursements for employees must be sent to AOC for payment. The method to reimburse an employee is determined on the reason for reimbursement, and can be found either in the AOC Payment Procedures Guide, Director's Order 31A or 31B
 - c) All waivers will be maintained for a period of three years from the date of issuance, centrally filed in the park/office
 3. Waivers for all payments related to specific incidents or events (e.g., SAR, fires) will be granted by the AOC TL/FST upon request, or declaration of a disaster area by the President.
 - a) Administrative payment teams for emergencies incidents may continue to make payments by check under conditions 3, 5, 6 and 7
 - b) Incident payments to Firefighters and other recipients processed by AOC may be made by check under conditions 3, 5, 6 and 7
 - c) Imprest Fund replenishments under condition 6 and 7
 4. If the following are deemed non-recurring payments, a waiver request needs to be sent to AOC TL/FST for review and approval. Waiver will be granted and centrally filed at AOC FST.
 - a) Refunds to individuals for park visitor entrance fees, campground fees, other fee collection revenue, etc., will be considered under condition 6. You may **not** issue a third party draft to issue a refund of revenue. This type of refund may only be processed by EFT or issuance of a Treasury check. If the individual paid a recreation fee with a credit card, the refund will be processed as a credit to the credit card
 - b) Attorney fees and settlement payments under conditions 6 and 7

EFT Waiver Request Form

The Debt Collection Improvement Act of 1996 requires that all payments be made by electronic funds transfer (EFT) after January 1, 1999. Waivers to this requirement can be granted under the conditions described below. All requests for waiver must be documented. Use of this form will assist in the documentation process.

(Check the condition which applies and complete the information below, including a detailed explanation of the EFT waiver request. Additional explanations may be attached to this form, if necessary.)

Waiver Requests Made by an *Individual and Sole Proprietors* where use of EFT would impose a hardship. These waivers may be self-certified and centrally filed at park/office.

- ___ 1A. I do not have an account with a financial institution.
- ___ 1B. Payment by electronic funds transfer would impose a hardship on me due to a physical or mental disability or a geographic, language, or literacy barrier, or would impose a financial hardship.

Waiver Requests Invoking Natural Disasters, Public Safety or Foreign Payments. These waivers must be granted through Team Lead/Fiscal Services Team and central filed at AOC.

- ___ 2. The political, financial, or communications infrastructure in a foreign country does not support payment by EFT.
- ___ 3. Payment to recipient within an area designated as a disaster area.
- ___ 4. A response to contingency operations conducted by or in support of the Department of Defense.
- ___ 5. Payment by EFT may pose a threat to national security, jeopardizes the life or physical safety of an individual, or compromise a law enforcement action.
- ___ 6. The cost of using EFT for making a non-recurring payment is greater than the cost of making that payment by check. (Note: a non-recurring payment is defined as no more than one payment expected in a 12-month period to a particular payee.)
- ___ 7. Public necessity suggests that payment by other (than EFT) methods are in the best interest of the government.

Vendor Name/TIN

Contact Name and Phone Number

Explanation of Waiver Request (Explain in detail how this request meets one of the conditions described above.)

Approved

Date

Disapproved

Date